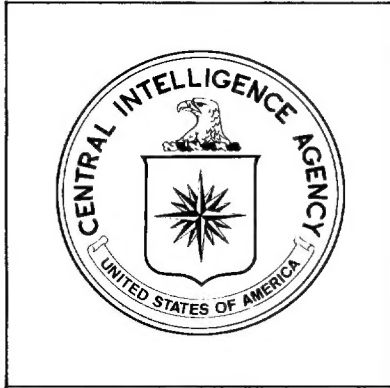


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STAFF NOTES:

## Soviet Union Eastern Europe

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Soviets Toughen Law on "Parasitism"

The regime has recently removed a loophole from the so-called "parasite" law, which will facilitate conviction of persons deemed to have no steady employment. The practical effect of the change remains to be seen; the "parasite" law is but one of an array of measures used to control the troublesome dissident and non-dissident fringes of Soviet society--and most of these measures are applied arbitrarily. Plugging the loophole, however, does improve the credibility of the legal threat and could thus be another in a series of measures designed--among other things--to discourage Soviet citizens from applying for emigration. Those who do apply routinely lose their jobs.

The new law, published on August 14, alters Article 209 of the Russian republic's criminal code by adding a provision that any person "leading a parasitical way of life for a prolonged period of time" is liable to a one year sentence in jail or labor camp. The net effect of this provision, together with some earlier changes in the language of the relevant article, is that persons charged with parasitism can no longer take refuge in the failure of the prosecution to demonstrate willful refusal of an order to accept work assignments. Many such persons often accepted assigned jobs for a short time and then quit, thus buying time before repeating the cycle.

If discouragement of emigration applications is indeed one of the new law's goals, it may go hand in hand with the legislation published in May that imposed a higher tax on cash remittances from abroad [redacted] The latter law, effective next January 1, appears designed to

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reduce the net amount of external financial support received by dissidents, activists, and others--mostly Jews--whose applications for emigration have resulted in loss of employment. The recent amendment to the "parasite" law may thus be another segment of the legal circle being drawn around these elements of Soviet society.

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Bulgaria: The State of the  
Nation--More Work, Less Fun

Bulgarian Premier Stanko Todorov's national day speech on Monday reaffirmed Sofia's authoritarian approach to domestic policy. It also provided the first public indication of concern over the state of the economy.

Addressing a group of high-level party and government officials, Todorov began with the usual obeisance to the Soviets and indicated Sofia would continue to follow in Moscow's footsteps.

Todorov nevertheless showed some sensitivity to the dissatisfaction of Bulgarian nationalists with the regime's slavishly pro-Soviet stance, stating that current policies are "no negation of the 13-century history of the Bulgarian state." He also implied that the Bulgarian party had solved some of its special problems without Soviet assistance.

Todorov devoted the main part of his address, however, to a less-than-rosy economic forecast. He places at least partial blame on Western inflation, which Sofia has heretofore maintained did not affect its domestic economy. Todorov failed to mention the impact of higher Soviet prices for raw materials, especially oil. Bulgaria is the only East European country that has not announced the price hikes which took effect in January, but some spokesmen have privately professed not to be concerned over any possible repercussions.

Todorov again called for greater discipline in order to increase labor productivity and sustain a high rate of economic growth. The regime will continue its campaign to increase shift work to compensate

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for the five-day workweek. He also confirmed that high-level personnel changes over the past few months were made to improve economic efficiency and planning. Although praising recent successes, Todorov added that some perennially weak sectors, such as housing and consumer services, continue to be a "serious cause of concern and alarm."

The Premier had other bad news for the consumer. He stated that "exaggerated consumer aspirations and petty bourgeois attitudes do not become socialism"-- words that surely will not be met with enthusiasm. Todorov may be preparing the public for a slowdown in the growth of consumer goods and for possible consumer price rises.

Todorov praised Sofia's "dynamic foreign policy" and said that the personal contribution of party-state leader Zhivkov has "enhanced the prestige of our country." On Bulgarian-Yugoslav relations, Todorov's remarks were conciliatory. He singled out Zhivkov's talks with Yugoslav President Tito at the Helsinki summit, noting they would lead to increased bilateral cooperation.

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Soviets Borrowing More Eurodollars

Moscow is turning more and more to the Eurodollar market to finance a hard-currency trade deficit that could run as high as \$3 billion this year.

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If the loan materializes, it will be the fourth time in the last ten months that Moscow will have tapped the Eurodollar market. The \$800 million raised by the four loans will reduce the pressure on Moscow to sell gold in a market depressed by the International Monetary Fund's decision to reduce its gold holdings. If the Soviets use the Eurodollar loans this year, they would need to sell only \$700 million in gold to cover a \$3 billion deficit. Moscow may have already earned some \$600 million from gold sales through July.

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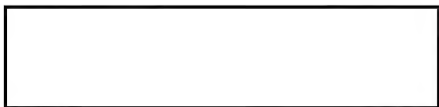
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